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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

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11 **UNITED STATES OF AMERICA,** } Case No.: CR 18-00604-CJC
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13 **Plaintiff,** }
14 **v.** } ORDER OF DETENTION
15 **TI LU,** }
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17 **Defendant.** }
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22 Defendant's motion for review of the Magistrate Judge's detention order and for
23 release is **DENIED**. The Court has considered (i) the nature and circumstances of the
24 offenses charged; (ii) the weight of the evidence against Defendant; (iii) the history and
25 characteristics of Defendant; and (iv) the nature and seriousness of the danger to the
26 community. After considering all of these factors and all of the evidence presented by
27 the parties and the arguments of their counsel, the Court finds by a preponderance of the
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1 evidence that no condition or combination of conditions will reasonably assure the
2 appearance of Defendant as required.

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4 First, Defendant has a significant incentive to flee to Taiwan. The grand jury
5 returned an indictment charging Defendant and his wife with a sixteen-year-long
6 conspiracy to commit bank fraud and money laundering, as well as identity theft. The
7 Government has marshaled compelling evidence of Defendant's guilt on these charges,
8 including audio and video recordings of Defendant and his wife discussing how they
9 committed the fraud and avoided detection, how they feared law enforcement
10 investigation, and how they laundered the proceeds of their criminal activity. Defendant
11 has also been recorded in the act of committing credit card fraud. If convicted on these
12 serious charges, Defendant faces a very lengthy prison sentence. Indeed, the
13 Government's conservative calculation of Defendant's sentencing guideline range
14 exceeds ten years in prison. Nothing in Defendant's lavish lifestyle has prepared him for
15 any term in prison, let alone one that will last for over a decade.

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17 Second, Defendant has very significant ties to Taiwan. He was born there. He has
18 dual citizenship in the United States and Taiwan and a current Taiwanese passport. He
19 and his wife regularly travel internationally, most frequently to Taiwan. And
20 significantly, Taiwan does not have an extradition treaty with the United States so if he
21 were able to escape to Taiwan, the Government would have no way to compel his return
22 to face the serious charges alleged in the indictment.¹

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26 ¹ The Court does not view the fact that Defendant has a teenage daughter as mitigating the risk of flight.
27 To the contrary, it increases the risk. Defendant's wife is in detention and facing the same lengthy
28 prison sentence that Defendant is facing. If Defendant does not flee to Taiwan and he and his wife are
convicted, his daughter could very well be separated from Defendant and his wife for over a decade
while they serve their lengthy prison sentences.

1 Third, Defendant likely has the means and resources to abscond to Taiwan and live
2 comfortably there. Defendant has a Taiwanese passport in his birth name, a U.S. passport
3 in the name Jerry Young, and the U.S. passport of his brother, who Defendant closely
4 resembles. Defendant and his wife also have numerous bank accounts and fictitious
5 businesses that they have used to stash their fraudulently acquired wealth. The
6 Government found \$500,000 in gold and cash in their security deposit box alone.
7 Defendant and his wife have also invested \$1 million with a Florida real estate developer
8 who does not report dividends to the IRS. To date, the Government has seized over \$2
9 million of Defendant and his wife's funds and assets. Some of the investment accounts
10 of Defendant and his wife list the addresses of the owner or purported owner as located in
11 Taiwan. It defies common sense to think that, in light of the significant ties that
12 Defendant has to Taiwan and the considerable efforts that he and his wife have made to
13 hide and launder the proceeds of their fraud, he does not have the means to abscond and
14 the access to funds to support himself after absconding.

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16 Finally, and most troubling, Defendant and his wife revealed in a recorded phone
17 conversation with a confidential witness that they would flee the United States if
18 necessary to evade capture and prosecution for their criminal activity. When Defendant
19 was specifically asked what he would do if law enforcement discovered his criminal
20 activity, Defendant said he could leave the country. Indeed, Defendant kept in his safety
21 deposit box, alongside a stash of gold and cash worth over \$500,000, his brother's
22 genuine California driver's license and U.S. passport, even though that brother lives in
23 New York. That safety deposit box was Defendant's emergency kit for absconding.
24 Unsurprisingly, Defendant repeatedly denied the existence of the safety deposit box,
25 apparently so he could use the safety deposit box's contents to abscond if released.

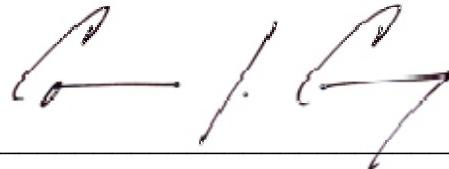
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27 **IT IS THEREFORE ORDERED** that Defendant be detained prior to trial.
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1 **IT IS FURTHER ORDERED** that Defendant be committed to the custody of the
2 Attorney General for confinement in a corrections facility separate, to the extent
3 practicable, from persons awaiting or serving sentences or being held in custody pending
4 appeal.

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6 **IT IS FURTHER ORDERED** that Defendant be afforded reasonable opportunity
7 for private consultation with counsel.

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9 **IT IS FURTHER ORDERED** that, on order of a Court of the United States or on
10 request of any attorney for the Government, the person in charge of the corrections
11 facility in which Defendant is confined deliver Defendant to a United States marshal for
12 the purpose of an appearance in connection with a court proceeding.

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15 DATED: January 28, 2019



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17 CORMAC J. CARNEY

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19 UNITED STATES DISTRICT JUDGE